

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

MTS-19

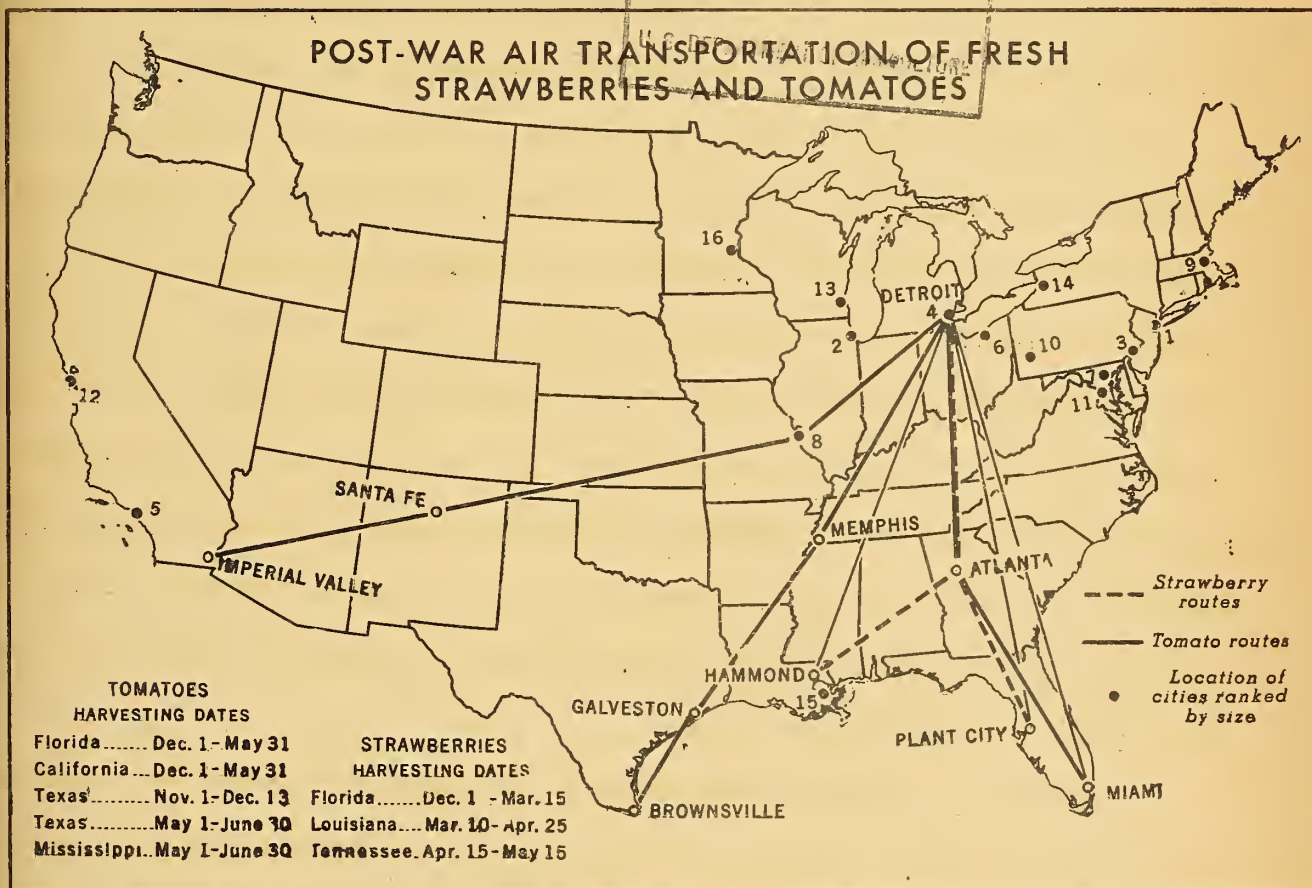
BAE

CURRENT SERIAL RECORD

MARCH 1944

MAR 27 1944

POST-WAR AIR TRANSPORTATION OF FRESH STRAWBERRIES AND TOMATOES



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43519

BUREAU OF AGRICULTURAL ECONOMICS

Progress in the field affecting air freight has opened the possibility for the economic transportation by air of certain perishables in the postwar period. The heavy black dots, with accompanying numbers, show the location and rank of the 16 largest cities in the United States. These cities constitute the obvious pioneering market for winter season strawberries and tomatoes flown from southern producing areas.

Detroit and the producing areas are connected by heavy lines, which indicate possible routes for winter season strawberries and tomatoes. The reverse southbound movement from Detroit of manufactured articles would go via Atlanta, New Orleans and other points for domestic consumption and for export to Latin America. The light lines indicate possible shorter routes direct from producing areas to Detroit.

MARKETING AND TRANSPORTATION SITUATION

MARCH 1944

SUMMARY

Charges for marketing farm food products declined about one percent from January to February 1944 while retail prices of these products showed the first appreciable decline—one percent—since August. The farmer's share of the retail food dollar was unchanged from January at 58 cents. Payments to farmers for equivalent quantities of farm products dropped by one percent.

The strain on cold-storage facilities continues with freezer space occupancy at approximately 90 percent for the last 5 months, as compared with an average of around 73 percent occupancy for the same period a year earlier. Combined holdings in cooler and freezer space for the first 6 or 7 months of 1944 are expected to exceed those of the comparable 1943 period. By far the largest portion of the total quantity of food in cold storage now is privately held in regular commercial channels for civilian use. In order to care for the Nation's food supply in the existing facilities, Government agencies have taken steps to reduce current storage holdings and cut the length of time that various commodities may remain in storage.

Although the wartime performance of railroads has been better than many people had expected, the railroad transportation situation stays potentially serious. An agreement has been reached between railroads and Government agencies for the purchase of additional freight cars, and the inauguration of a Nation-wide drive for more manpower. The problem of wasteful circuitous routing is being studied by the Office of Defense Transportation and by the Interstate Commerce Commission. In the interests of fuel economy, the Office of Defense Transportation is trying to make the best use of facilities available for transporting fuel. The refrigerator car supply remains generally tight, with difficulties in meeting the demand of Middle Western packers likely to

increase.

The number of cattle on farms reached a record high of 82.2 million head on January 1, 1944. Unusually heavy marketings throughout 1944 will be necessary if the number of cattle on farms is down to 79 million head (about the same as on January 1, 1943) by January 1, 1945. Serious problems for processing and transportation facilities will arise unless liquidation is carried on in an orderly manner. A serious drought in areas inside the western range or in the Corn Belt during the fall months would probably greatly over-burden facilities. There is widespread interest in any program or programs designed to encourage heavy marketing in the spring and summer, in order to ease the situation in the fall when cattle slaughter is normally highest because of the heavy movement from ranges and pastures.

Air transportation of some perishable foods after the war may be practicable when cargo airplanes and pilots are released for commercial use. An analysis by the Bureau of Agricultural Economics and Wayne University of the practicability of transportation by air of strawberries and tomatoes from Florida to Detroit, Mich., suggests some of the air-freight potential which exists in the United States. The analysis indicates an air transportation charge of 11.3 cents per quart of strawberries from the Lakeland producing area to Detroit and 8 cents per pound of tomatoes from the Miami producing area to Detroit. Comparison with charges by competing transportation methods shows that air transportation charges are about 6-1/2 cents higher than rail or truck shipments and 6 cents higher than rail express per quart of strawberries, and approximately 6 cents higher per pound of tomatoes. Savings in containers and ripening costs gained by air transportation of tomatoes are about equal to the additional cost of this method of transportation. For strawberries the savings in container costs would reduce the additional cost per quart to 5 cents. This would represent a premium paid for what is expected to be a superior quality product.

March 22, 1944.

POST-WAR POSSIBILITIES OF AIR TRANSPORTATION OF FRESH STRAWBERRIES AND TOMATOES 1/

The war has greatly accelerated the use of the airplane as a freight carrier. This development has been occasioned primarily by the need for transporting military freight rapidly. To meet this need, together with the need for fighter planes and bombers, there has been a tremendous expansion in plane-building facilities and in the training of pilots. When the war ends, many of the planes, plane-building facilities, and trained pilots will no longer be needed for military purposes, but will be available for the freighting of civilian goods.

Commodities that are the most adaptable to air transport are those that demand high speed transportation or special care in handling. Certain fruits and vegetables are of this type. If the airplane can get the produce to the consumer in a more palatable and nutritious form, the consumer will gain by getting a better product. Also, the producer may gain by obtaining a larger income because of the greater demand for his product.

To illustrate how air freight of perishable foods might work out, a fictitious operation was assumed, predicated on the use of present equipment as soon as it becomes available for commercial use. The air transportation of strawberries and tomatoes from Florida to Detroit, Michigan, was used as an example. This analysis represents only a suggestion of the total air freight potential which exists in the United States. Although the air traffic in strawberries and tomatoes appears to be among the best potentials, there is considerable potential in other perishables. 2/

The problem is to determine the transportation charges, time required and probable demand for the shipment by air of strawberries and tomatoes from typical winter producing centers to Detroit, Michigan.

Transportation Costs 3/

Premises: 1. That the air carrier is a private company with eight C-47 airplanes in continuous operation.

2. That availability of the specified produce at the growing centers will allow 100 percent load factor to Detroit, with an average 75 percent load factor on the return trips. Return cargoes would consist of mixed commodities from Detroit to Atlanta, Birmingham, and for other Southern cities.

3. That completion of the trips scheduled is 95 percent.

This is approximately the actual achievement by domestic airlines in 1943.

1/ Joint contribution by Wayne University, Detroit, Mich., and the Bureau of Agricultural Economics, USDA. Colonel L.H. Brittin, Consultant on Commercial Aviation for Wayne University contributed valuable help to the study.

2/ An attempt was made to arrive at the total potential in perishables in "Air Cargo Potential in Fresh Fruits and Vegetables," Spencer A. Larsen, Wayne University, Detroit, Michigan.

3/ Prepared for Wayne University by H.E. Weihmiller, Manager, Aircraft Consulting Service, Washington, D.C. The Bureau of Agricultural Economics contributed data on truck assembly and delivery costs, container weights, sizes and product densities, and consulted in the preparation of the report.

4. That enough business other than transporting strawberries and tomatoes exists throughout the year to justify continuous operations.

Certain operating and equipment costs were reduced, resulting from large scale production economies, progress and increased efficiencies in the art, etc. Further, the C-47 equipment used is assumed to be procured from Government surplus at the war's end at some fraction of its original cost. Three possible figures were considered and studied for their effects, namely, 25, 50, and 75 cents on the dollar of current original cost of C-47 airplanes to the Government. It should be noted that such first costs do not alter the over-all cost of operation as drastically as is often supposed. The corresponding ton-mile costs vary less than 2 cents between the extremes stated. In the direct operating cost determination, airplane fuel cost, the predominant factor, has been assumed to be available at 15 cents per gallon post-war compared with 19 cents currently. Flight and ground crew pay is assumed to be approximately the same as pre-war. The cost of the parts and materials portions of the maintenance costs have been lowered somewhat in proportion to the airplane costs considered. Slightly reduced labor costs are assumed for improved techniques, more efficient facilities, etc., reducing the time factor in the post-war period.

The cargo load is fixed by the landing weight limitations in the examples shown. Northbound, refueling stops are required about halfway. Southbound, stops at Atlanta, Birmingham, etc., are assumed for refueling and for distribution of the return cargo of products emanating from the Detroit area.

Basic Data:

Tomatoes

Strawberries

1. Winter season production centers considered as typical examples of study

Miami, Fla.,
Brownsville,
Texas

Lakeland,
Fla., and
Hammond, La.

2. Standard type commercial

containers used Wood lug box
Outside dimensions, in. 7 x 14 x 17
Weight of container 5 lb.
Weight of contents 30 lb.
Weight of container and
contents 35 lb.
Stowage space occupied per
container, approx. 1.0 cu. ft.
"Packaged density" in lb. per
cu. ft. of container and contents 35

Wood crate
11-1/2 x 11-1/2 x 23
10 lb.
36 lb.
46 lb.
1.8 cu. ft.
26

3. Airplane type

C-47*

Maker Douglas Aircraft Co., Inc.
Modifications For domestic air cargo
operations only
Block to block speed 160 mph.
Flight crew, each trip 1 Pilot and 1 Co-pilot
Maximum take-off weight 29,000 lb.**
Maximum landing weight 26,000 lb.**

* 1943-44 type procured from Government surplus at war's end.

** Currently not official, but assumed probable, post-war.

4. Distances (airlines)

Detroit-Atlanta.....	595 miles
Detroit-Atlanta-Lakeland	1,016 "
Detroit-Atlanta-Miami	1,205 "
Detroit-Lakeland	992 "
Detroit-Miami	1,156 "
Detroit-Atlanta-Hammond	1,013 "
Detroit-Hammond	915 "
Detroit-Memphis-Brownsville	1,398 "

No comprehensive statistics exist for purely commercial air cargo operations, but excellent figures are available for past and current domestic airline operations using practically the same airplanes (DC-3's). The latter data, together with certain direct operating costs data available, were used as a basis of this study. Each classification of a break-down of direct operating and overhead costs was adjusted for the altered conditions prevailing for a contract air cargo project of this size and type, and modified for certain changed conditions reasonably assumed to exist just after the war. The resulting ton-mile costs, are believed to be practical and obtainable immediately after the war, under the conditions and premises herein stated, but should not be considered as general air cargo operating costs, nor used for other projects or commodities, without careful adjustment for the changed factors involved.

Airport to Airport Transportation Costs

For the three categories of original airplane cost considered, the average cost per ton-mile for the whole operation has been found to be approximately 9 cents, 10 cents, and 11 cents, respectively. The median figure of 10.2 cents per ton-mile has been used as an average. For 100 percent load each way this would become about 9 cents.,

For the flights from Miami or Lakeland (via Atlanta) or from Hammond (via Birmingham) to Detroit, 8,500 pounds of cargo may be carried within the weight limitations used for the C-47 in this study. This allows the carriage in each plane of 185 crates of strawberries (46-pound crates) from Lakeland via Atlanta, or 243 lugs of tomatoes (35 pound lugs) from Miami via Atlanta to Detroit, as examples. For the strawberries, the air transportation cost is therefore \$2.39 per crate or 6.6 cents per pound of content; for the tomatoes, the air transportation cost is \$2.15 per lug or 7.2 cents per pound of content.

The above are the air transportation costs from airport to airport only. (Allowance has been included in fuel load for possible 20 mp headwinds.) For moderately shorter or longer distances, the same cost per ton-mile may be used for determining the trip costs without appreciable error. If additional stops are made en route for refueling or any purpose, the costs above should be increased appropriately.

The two commodities considered here have sufficiently high "packaged density" to allow using less than the full available cargo space in this plane for the weight of cargo that may be carried. In both these cases, the stowage works out well, one arrangement being four longitudinal rows (two on each side, allowing sufficient central passageway) four containers high and 12 crates long for the strawberries and 16 lugs long for the tomatoes. In this arrangement, stated weight and balance of the airplane, average structural loading, and concentrated floor load limitations are not exceeded. Suitable securing or tie-down means are mandatory.

Average air transit time between Miami and Detroit, via Atlanta, is 7-3/4 hours; between Lakeland and Detroit, via Atlanta, 6-3/4 hours; between Hammond and Detroit, via Birmingham, 6-1/4 hours, allowing 15 minutes for one refueling stop en route in each case.

Transportation Costs When Air-Borne

Considering strawberries, and estimating a trucking charge of 7 cents per crate from the grower to the Lakeland airport, air transportation charges of \$2.54 per crate from Lakeland to Detroit (\$2.39 cost plus an arbitrarily chosen profit of 6 percent on revenue), and a trucking charge of 10 cents a crate from the Detroit airport to the produce terminal, the total transportation charges become \$2.71 per 46-pound crate (36 pounds net) or 7-1/2 cents per pound of strawberries from Lakeland via Atlanta.

For tomatoes, based on a trucking charge of 5 cents per lug from grower to the Miami airport, air transportation charges of \$2.29 per lug from Miami to Detroit (\$2.15 cost plus an arbitrarily chosen profit of 6 percent on revenue), and a trucking charge of 7 cents per lug from the Detroit airport to the produce terminal, the total charges become \$2.41 per 35-pound lug (30 pounds net), or 8 cents per pound of tomatoes from Miami via Atlanta.

By flying the most direct airline routes between Miami and Detroit and between Lakeland and Detroit, retaining one refueling stop approximately halfway, the distance saved reduces the air transportation charges by between 2 and 3 mills per pound of content in each case above.

Should the original cost of the airplanes increase to 75 cents on the dollar, the air transportation charges will increase about 8 percent; if decreased to 25 cents on the dollar, the air transportation charges will decrease about 8 percent.

Marketing and Price Problems 4/

The foregoing analysis establishes under certain assumptions the cost of transporting strawberries and tomatoes by air from their respective production areas in the vicinity of Lakeland and Miami, Florida, to Detroit, Michigan, shortly after the end of the war. The analysis included the estimated charges for trucking from the production center to the airport, loading the airplane, the airplane flight from airport of origin to airport of destination, unloading the airplane, trucking the cargo to the produce terminal in the City of Detroit, and unloading the produce at this terminal. The type of airplane used in this analysis is the C-47 Transport, the military equivalent of the Douglas DC-3. The analysis indicated a total charge of 11.3 cents per quart of strawberries from the Lakeland producing area to Detroit and 8 cents per pound of tomatoes from the Miami producing area to Detroit.

Competing Transportation Charges

Comparable charges to transport these commodities by competing transportation methods are as follows:

4/ By R.W. Hoecker, Agricultural Economist, Bureau of Agricultural Economics.

Total transportation charges	Air	Truck	Rail	Rail Express
Per 46 lb. crate of strawberries	\$2.710	\$1.170	\$1.120	\$1.260
Per pound of strawberries .....	.075	.032	.031	.035
Per retail quart box of strawberries .....	.113	.049	.047	.053
Per 35 lb. lug of tomatoes	\$2.410	\$.630	\$.600	--
Per pound of tomatoes .....	.080	.021	.020	--
Per retail pound box of tomatoes ....	.080	.021	.021	--

The above "Rail" figures are for freight carload shipments in refrigerated cars and the "Truck" figures are for refrigerated truckloads. Tomatoes are not generally shipped by carload express from the Miami area, so no similar data were obtained.

Air transportation charges are about 6-1/2 cents higher than rail or truck shipments and 6 cents higher than rail express per quart of strawberries. It is approximately 6 cents higher per pound of tomatoes.

Container Savings: In computing the transportation charges by all four methods of transportation, standard wooden containers were assumed in every instance. In all cases except air, wooden containers have been more or less a necessity in order to protect the product while in transit. Since ice refrigeration will not be necessary and since the air-borne cargo will receive very gentle handling compared to the handling of produce transported by surface carriers, paper containers may be used in place of the heavier wooden containers. This may have two effects: (1) The decreasing of the weight of the container, thereby decreasing the cost of transportation per unit, and (2) packaging of the product in the producing area into consumer-sized packages.

Paper containers have already been developed for both strawberries and tomatoes. The approximate weight of paper strawberry containers is 7 pounds each compared with 10 pounds for the wooden container now in use. The approximate weight of paper tomato containers is 2 pounds each compared with 5 pounds for the 30-pound lug box now in use. By using paper containers instead of wood for air transportation the difference in cost per quart of strawberries is about 5-1/2 cents higher than rail or truck and 5 cents higher than rail express. It is approximately 5 cents higher per pound of tomatoes.

Tomato Ripening Costs: As now handled most fresh tomatoes sold at retail during the winter months are picked in the field green. If the tomatoes are picked at the correct stage of maturity, they may be picked green and if handled properly will turn red and acquire a degree of palatability. However, under actual conditions green tomatoes are often not picked with the correct amount of maturity, thereby causing many of the immature tomatoes to ripen very unsatisfactorily. After the tomatoes are picked green they are wrapped and shipped to ripening plants in the large northeastern consuming centers. In the ripening plants they are unwrapped, sorted, put into ripening rooms with controlled temperatures, and after ripening resorted and packed for sale.

The advantages to be gained by packing the tomatoes directly into consumer packages in the producing area are that the cost of labor may be less and that less spoilage and waste occurs in the retail stores. These two factors would tend to further decrease the net difference in transportation costs between surface transported and air-transported tomatoes.

Ripening costs vary from one market and one ripening room to another. Information obtained from the trade and from a study of tomato prices on the Chicago market indicates that the difference in the wholesale price of green tomatoes and ripened tomatoes is about \$3 per 100 pounds. If the tomatoes were transported by air practically all of this difference could be eliminated since the tomatoes could be picked vine-ripened, sorted, and packed directly into the consumer paper cartons. Thus the net difference between surface-transported and air-transported tomatoes in paper cartons at the retail level may be decreased an additional 3 cents per pound.

After balancing the savings to be gained by air transportation of tomatoes against the additional cost of this method of transportation they are about equal. This study indicates that using existing equipment and with approximately the present costs, air-transported tomatoes can possibly be placed on retail counters at practically the same price as those transported by surface carriers.

Quality Premium: The principal advantage to be gained by air freight through faster and more gentle transportation is in the maintenance of the quality of the product. To bring strawberries from Florida to Detroit by rail express requires a minimum of 3 days and by rail freight and truck a minimum of 4 days. Tomatoes take slightly longer. By air the time required is between 6-3/4 and 7-3/4 hours. Produce may be harvested during the forenoon of one day, precooled in the afternoon, loaded on the plane in the evening, transported overnight to the northern consuming center and placed in the retail store less than a day after being harvested. This makes it possible to harvest produce in a much more advanced stage of vine ripening with, in most cases, considerable increase in its palatability, vitamin content, and some increase in yield per acre.

It remains to be established, by further study and the actual stocking of the produce in stores, whether the quality will be sufficiently improved to sell at a price high enough to pay for any difference in transportation costs that may exist. When the net difference between air-transported and surface-transported costs is added to the retail price of strawberries, the additional cost does not represent a substantially higher price to the housewife. The average retail price of strawberries over the period 1930-39 was about 45 cents per quart during January for Florida berries and about 31 cents per quart during April for Louisiana berries. The 5 cents additional cost per quart would represent the premium which the consumer must pay for what is expected to be a much superior quality product. If the cost of tomatoes is not increased over 1 or 2 cents per pound and the quality proves to be as good as expected, there is little doubt but that large quantities will be sold. During December, January, and February of 1943-44, hothouse tomatoes sold at wholesale in Chicago at an average of 12 cents per pound higher than the usual green-packed and ripened tomatoes. Air-transported tomatoes are expected to compete with hothouse tomatoes in quality.

Potential Traffic: The year 1942 was fairly typical of the quantity of strawberries and tomatoes shipped by rail to Detroit in carload lots. During the winter and spring months from December to May inclusive, a total of 7,988 tons of strawberries was shipped by rail. This represented the equivalent of approximately 6,165,000 air ton-miles. Of this quantity about 3,420,000 air ton-miles originated in Florida and Louisiana, the producing areas of which are a thousand miles or more from Detroit. Practically all of the remainder originated between 500 and 1,000 miles distant. While the more distantly produced berries would be the best candidates for air transportation, all of them would represent potential traffic.

During 1942 there were 12,110 tons of tomatoes shipped into Detroit by rail. This was approximately 13,670,000 air ton-miles of which 12,214,764 air ton-miles originated in California, Florida, and Texas -- all areas well over 1,000 miles from Detroit.

Present information indicates that a very substantial portion of the strawberries now sold during the winter and spring months may move by air to Detroit. It also indicates that almost all or even substantially more than the tomatoes now moving may be carried by air. If one-half of the strawberries and all of the tomatoes now moving over 1,000 miles were moved by air it would mean 2,537 DC-3 plane loads, or during the 6 months' period an average of 14 DC-3 plane loads per day.

CURRENT DEVELOPMENTS IN MARKETING AND TRANSPORTATION

Strain on cold-storage facilities continues: Steps taken to decrease holdings

Occupancy of freezer space has averaged around 90 percent for the last 5 months as compared with an average of 73 percent for the same period a year earlier. In 1943, during the peak cold-storage period, warehousemen were called upon to handle a larger volume than in the peak periods of 1937-42. The combined holdings in cooler and freezer space for the first 6 or 7 months of this year are expected to exceed those of the comparable 1943 period. By far the largest portion of the total quantity of food in cold storage now is privately held in regular commercial channels for civilian use. Although freezer occupancies for February and March were much higher than for the same months of 1943, the best estimates seem to indicate that this will be the peak for the year. Occupancy of cooler space is expected to reach a peak earlier than and probably higher than last year.

Among the steps which have been taken to decrease refrigerated storage holdings are the following: (1) 50 million pounds of lard from March production have been released to soap manufacturers. (2) Ration points have been removed from lard, which should assist in reducing the amount of lard in storage. (3) Steps are being taken to reduce holdings of most freezer items. (4) Steps are being taken to reduce the length of time various commodities may remain in storage, in order to relieve space for 1944 production. (5) Most of the commodities which can be kept in common storage space have been removed from refrigerated storage. (6) Storage of items under the two outstanding food storage orders are being reduced by a less liberal policy of issuing permits. (7) Plans are being worked out with the industry to consolidate small lots of commodities, the storage of which causes considerable space to remain idle because of the nature of the commodity. Also, the industry is making every effort to provide additional space by more efficient piling practices. (8) OPA is constantly reexamining ration point values for the purpose of making point adjustments where commodities backlogged in refrigerated space seem to be moving too slowly. (9) An inventory is being taken of the available space in the country that is suitable for the storage of shell eggs. (10) Efforts are being made to utilize off-track facilities for the storage of War Food Administration and other Government-owned commodities, thus avoiding congestion in the larger cities wherever possible.

It is hoped that these steps, together with others which are being considered, will make it possible to care for the Nation's food supply in the existing refrigerated storage facilities, and without too much expansion.

Vegetable point values reduced: Fruits adjusted upward.

The recent downward adjustment in point values for most vegetables has been occasioned by the following factors: (1) Total stocks of processed foods for civilians are now about 3 percent higher than at the same time last year. The bulk of this consists of vegetables. (2) A record large production of winter season truck crops exceeding the 1943 production by one-third and the 10-year (1933-42) average by one-half. (3) The relative abundance of home canned vegetables obtained from 1943 victory gardens. (4) The OPA's policy to help move the pack of canned foods during the pack year, so that the canners will know there will be no carry-over to demoralize the market when the Army discontinues its purchases. The movement of canned vegetables has been about 10 percent slower than scheduled.

An upward adjustment was made in point values for fruits because: (1) The 1943 fruit crop in general was small. (2) The point values for vegetables were reduced, leaving more points which might be spent for fruits if point values of the latter were unchanged. (3) movement of canned fruits has been 17.6 percent faster than scheduled, the rate of disappearance having increased when point values of major vegetables were reduced earlier this year.

Based on anticipated 1944 production, it is estimated the civilian supply of canned fruits and vegetables will be about 200 million cases compared with 242 million cases in 1943 and 285 million cases for the 1937-41 period. Military needs are estimated at 70 percent higher in 1944 than in 1943.

Railroad transportation situation potentially serious

Ever since the war began, farmers, wholly dependent on transportation for markets, have been greatly concerned over a possible break-down of the transportation system similar to that which occurred in World War I. So far, fortunately, performance has been much better than many people expected. But something happens almost every day to suggest the potential seriousness of the railroad transportation situation. Generally, these happenings involve particular instances of trouble but are not necessarily typical of the whole situation.

On February 21, the Director of the Office of Defense Transportation again called on the American people to hold the line against conventions, trade shows, and other gatherings in order to curtail travel. 5/ On February 24, the ODT ordered the Central Railroad of New Jersey to discontinue 68 of its suburban commuter trains in the Greater New York area beginning March 12, and to adjust schedules of some other train operations. 6/ On February 28 the ODT warned persons planning trips to Florida that Pullman accommodations for the return trip would be impossible to obtain and that the few coaches available would be crowded and uncomfortable. 7/ On Sunday, March 5, appeals were broadcast for all employees at Potomac Yards, Virginia, then off duty, to report for duty as soon as possible.

The order to discontinue 68 commuter trains on the CRR of NJ illustrates the close relation between freight and passenger services, showing that within limits either can be controlled to improve the other. The 68 trains were operating in a congested area where, at the same time, the railroad had a number of switch engines idle every day because crews were lacking to man them. Discontinuance of the commuter trains is expected to relieve train congestion on this line and to release crews for other work.

5/ See ODT 487. 6/ See ODT 489. 7/ See ODT 492.

Truman Committee critical of equipment delay

The Special (Truman) Committee of the Senate, in a recent report concerning the national defense program, indicates disappointment that there has not been more improvement in some aspects of the transportation situation. It points out that, as previously recommended by it, the War Production Board has relaxed the controls that limited production of locomotives, freight cars, and other railroad facilities in 1943. The railroads' failure to take full advantage of this situation by placing orders promptly for all obtainable equipment and requisite facilities is associated by the Committee with the carriers' assertion that the present equipment and facilities are adequate to meet any possible post-war demand for rail freight transportation that they can now foresee. Therefore, the railroads had argued, the additions would represent wartime expansion which they should be permitted to amortize through certificates of necessity. "This situation," says the Special Committee report, "was made more difficult by a change in policy on October 5, 1943, requiring that certificates of necessity (allowing amortization) be obtained before the finished equipment is delivered; or, in the case of railroads building their own equipment, before the construction is begun. Previous to that time such a certificate could be applied for at any time within six months after the acquisition of the equipment."

Action on manpower and efficiency problems; circuitous routing studied

The railroads and the Government agencies involved had reached an agreement, even before the Committee's report was made public, which contemplates purchase by the railroads of all obtainable freight cars and the inauguration of a Nation-wide drive to get more men to work on the railroads. There is substantial agreement on the proposition that manpower and the efficiency of manpower constitute the chief present war problem on the railroads. As to efficiency, the aim for this year is to show a gain of 10 percent, which is in line with the appeal made by the ODT Director before the year began. However, the high state of efficiency required by the extraordinary demand for railroad service is difficult to achieve under the existing conditions. A record in performance has been made but, as the ODT Director said recently, it was "only at the cost of increasing strain upon our railroad workers. Present manpower is being stretched very close to the limit of endurance. Yet the number of railroad workers continues to grow smaller owing to the other wartime demands on manpower."

Concerning unnecessary hauling because of circuitous routing, the Special Committee said that the Office of Defense Transportation and the Interstate Commerce Commission were making a waybill study of railroad shipments on January 12, 1944, to ascertain whether circuitous routing has been reduced by voluntary action of carriers and shippers. Following completion of this study a further study will be made to see what action, if any, may be necessary. The only statistics available have indicated that the extra hauling ordinarily caused by circuitous routing amounts to from 10 to 12 percent of the whole freight performance of railroads. Of course, some of the circuitry is necessary, especially where direct routes are blocked. This can happen for various reasons, such as wrecks, wash-outs, or the accumulation of heavy traffic. Congress itself has provided for some indirectness of routing to protect the long hauls of originating carriers. Also, we must recognize that circuitry in the mere sense of distance is not necessarily wasteful where, as in some cases, the services most readily available are those of the longer routes. The problem is to match the demand for service with the supply of service where the latter has actually developed. Because of variations in the operating and traffic conditions in different sections of the country, it would be difficult to formulate a general rule to eliminate circuitous hauling only where it is wasteful, that would be practicable and acceptable alike for all carriers and shippers.

In regard to the whole question of circuitous hauling, however, the Special Committee expressed disappointment with the progress made so far toward the elimination of the waste that really exists. "Solicitation of traffic over unnecessarily long routes still continues," says the report. "The railroads," the report goes on to say, "have an absolute right to seek more traffic for themselves and to seek a greater participation in joint traffic, but in wartime, and when traffic on most railroads approaches capacity, it is not desirable that they compete with each other to obtain traffic, and handle it in a way that reduces the total capacity of the transportation system." This counsel of prudence comes at a time when, as already indicated, the railroads and the Government agencies concerned with transportation have agreed to inaugurate a Nation-wide campaign to get more men on the railroad pay rolls. The Committee recommends that the ODT and the ICC give special attention to practices that waste transportation. The ODT and the ICC are also requested by the Committee to make special recommendations to the railroads for voluntary action that will eliminate such practices.

Economy of fuel and of transportation go hand in hand. While the Department of the Interior intensifies its Nation-wide campaign to save fuel, 8/ the ODT tries to make the best use of facilities available for transporting fuel. By suspending until May 15 the priority established for ore cargoes on the Great Lakes, ODT will permit unrestricted movement of coal cargoes until the ore traffic is in full volume again. 9/ This is a matter of interest to people west of Duluth, including farmers, and to those at and near other lake ports.

Refrigeration Car Supply Tight

Toward the end of February, considerable improvement had been made in the refrigerator car supply of the Red River Valley, California, and Arizona. But the general refrigerator car supply remained tight, with some shortages reported in the Pacific Northwest and in the Middle West. During the week ended March 3, refrigerator car loadings were exceptionally heavy, particularly in Florida and Texas, and the car supply situation was especially tight in Maine. General restrictions are in effect on the use of refrigerator cars for citrus fruits to the southern belt of States. 10/

The Middle West demand for refrigerator cars is largely that of the meat packing industry. The supply of packer-owned refrigerator cars has been inadequate to meet this demand; and, contrary to custom for the most part, the industry has been using a great many railroad-owned or -controlled cars. The difficulty may be somewhat greater in March owing to the fact that the Office of Price Administration made lard ration free on March 3, following an increase of 50 million pounds in March in the allocation of lard for the first quarter of 1944. 11/ Exceptional hog slaughter resulted in more lard than could be packaged, stored, or shipped for edible use, causing the War Food Administration to allow purchase in March of 50 million pounds for soap making, stipulating completion of delivery to soap manufacturers by March 31. 12/ Also, OPA cut sharply the point values for rationed pork on March 5, while point values for many beef cuts and some sausage items also showed some substantial reductions. 13/

8/ See OWI release 2975.

9/ See suspension order ODT 9A-1 and ODT release 494.

10/ See weekly reports.

11/ See OPA release 4006.

12/ See AG 969.

13/ See OPA 4008.

INCREASED CATTLE MARKETING DURING SPRING AND SUMMER WOULD LIGHTEN MARKETING AND TRANSPORTATION BURDENS

If cattle numbers on farms on January 1, 1945 are down from the high point of 82.2 million head on January 1, 1944, to about 79 million head, or the number on farms January 1, 1943, serious problems in processing and transportation will arise unless liquidation is carried on in an orderly manner.

Total slaughter of cattle and calves in 1943 is estimated at 27.3 million head. Assuming that numbers on farms are 79 million head by January 1, 1945, slaughter in 1944 will be about 35 million head, or 7.7 million head above the slaughter of 1943.

Cattle slaughter is normally highest in October when the movement from ranges and pastures is heaviest. In October 1943, slaughter of cattle and calves in federally inspected plants was 11.4 percent of total slaughter for the year. In 1942 it was 10.3 percent. In earlier years, when October slaughter represented a high proportion of yearly slaughter, it was from 11 to 11.7 percent of the total. On the basis that total slaughter of cattle and calves in 1944 will be 35 million head, slaughter in all federally inspected plants will be 22.7 million head. If marketings are distributed seasonally about the same as in earlier years, October slaughter in the federally inspected plants will reach 2.5 to 2.7 million, or 0.5 to 0.7 million head more than were slaughtered in the same plants in 1943.

Marketings of cattle and calves this year are running considerably above last year. During January and February, cattle and calf slaughter in federally inspected plants was 0.5 million head greater than for the same months last year (after adjusting for slaughter in the plants that were added during the year). If the ratio between slaughter under Federal inspection and total slaughter is the same as last year, the increase in total slaughter in January and February this year amounts to about 0.7 million head over last year. This leaves 7 million head of the increase in total slaughter to be distributed over the other 10 months of the year.

If marketings for the rest of the year should be distributed about as usual, the processing facilities probably would not be able to handle the heavy load in October. Labor will be the chief limiting factor. Not only is the labor supply short, but in slaughtering cattle much of the labor needs to be skilled for such purposes as skinning animals and boning meat. Whether additional experienced labor can be recruited is at this time uncertain. If 35 million head of cattle and calves are to be slaughtered in 1944 in order to avoid congestion in slaughtering plants in October it will be necessary to increase marketings during the spring and summer, when the available facilities are adequate for handling increased volume. To delay marketing beyond October may be impracticable on the part of producers who depend on pastures and ranges for feed, and if the increased marketing is delayed too long it may conflict to some extent with the heavy slaughter of hogs. Unusually heavy slaughter of cattle during the fall may tax the freezer space for storage.

From the point of view of transportation, it is even more important not to add greatly to the load in the fall. The heaviest rail movement of livestock is in October when cattle and lambs are marketed from western ranges in largest numbers. This movement comprises both feeder stock being moved to feedlots and animals going for immediate slaughter. In 1943, the peak of railroad livestock loadings reached 27,750 cars the third week in October. The average weekly loadings for the 6-week period, October and the first 2 weeks in November, were about 26,000 cars. It is

doubtful if the railroads can handle much additional livestock traffic at that time, as they are limited by the availability of stock cars and by the competition for locomotives and labor used for other transportation. But they are capable of handling increased volume of livestock during the spring and summer, when the number of cars loaded per week is normally only half as many as in October.

Another factor is the trucking situation which is continually becoming more serious. In the Corn Belt States, the heaviest burden on trucks is in the fall and winter when hog marketing is heaviest. Livestock trucking facilities in that region apparently will be adequate up to that time, even if cattle marketing increases considerably. In the range area, livestock trucks are in greatest demand in the early fall when the cattle and lambs are marketed in largest numbers. If marketings are increased substantially then, trucking facilities will probably be short, and this may cause more of the cattle to be driven to the local loading point on foot.

In the event of a drought, the marketing of cattle will be increased from the affected areas. Whether this will result in excessive burdens on the processing and transportation facilities will depend largely on when the drought occurs, where it occurs, and its severity. If a drought should develop before September, and should affect areas outside the western range and the Corn Belt, the result would not be expected to be serious for processors and transport agencies. Nor would it be serious at that time of the year if a drought affected limited sections in the heavy cattle producing and feeding areas. In fact, a drought in these areas in the spring and summer, if not too severe and too widespread, would stimulate marketing in the slack season, and thereby help to ease the loads on both processing and transportation facilities later in the fall. On the other hand, if widespread drought should develop in the western ranges or in the Corn Belt during late summer or early fall, and especially if forage and feed production in the affected areas should be light, unusually heavy marketing would result and, in all probability, this would greatly overburden both processing and transport facilities.

There is widespread interest by all segments of the cattle industry in some program, or programs, designed to encourage heavy marketing in the spring and summer. During these seasons sharp lookout should be maintained for indications of drought that may develop, so that marketing from the affected areas may be started early and carried on in orderly manner. But such programs should also be encouraged in the absence of droughts. Increasing marketing during the spring and summer will help not only to prevent the overloading of processing and transportation facilities in the fall but will provide much needed beef at periods when the supply otherwise would be small. By distributing marketings more uniformly throughout the year, it will also help to maintain steady prices. Such programs, if put into effect, would be helpful to everyone concerned, namely, producers, processors, transportation agencies, and procurers of meat for war and civilian use.

FARM -- RETAIL PRICE SPREADS, FEBRUARY 1944

Food prices and marketing charges decline, January to February:

The first appreciable decline in retail prices of farm food products since August 1943 occurred from mid-January to mid-February. In February the retail cost to consumers of a food basket containing quantities of farm food products representing annual purchases by a typical workingman's family, amounting to \$436, had declined nearly 1 percent from the cost of \$440 in January. This is the lowest retail cost recorded since February 1943.

Payments to farmers for equivalent quantities of farm produce declined less than 1 percent from \$256 in January to \$254 in February. The February 1944 level of farm value of the food basket is also the lowest recorded since February 1943.

The marketing margin or spread between retail cost and payment to farmers for the food basket declined from \$184 in January to \$182 in February, equaling the margin of December 1943. Total charges for marketing the food basket exceed the marketing margin by the amount of Government marketing payments paid to agencies handling food products on the quantities of produce included in the basket. It is estimated that these Government payments amounted to about \$16 in February 1944, making a total marketing charge for that month of \$198 compared to \$200 in January and \$186 in February 1943.

The farmer's share of the consumer's food dollar in February remained unchanged at 58 cents, a level unbroken since August 1943 except that for the recent record high of 59 cents reached in December.

In comparison with the pre-war 1935-39 average, retail prices of farm food products in February 1944 were up 31 percent, prices paid to farmers were up 80 percent, the marketing margin was 5 percent below pre-war, total marketing charges were 5 percent higher than pre-war, and the farmer's share of the retail food dollar at 58 cents was 16 cents higher than the 1935-39 average of 42 cents.

Prices decline, margins narrow, for eggs and citrus:

The January-February decline in retail cost of the food basket was due principally to retail price declines amounting to 7 percent for both eggs and oranges. Retail price decreases occurred for some fresh vegetables as well. The price received by farmers for eggs dropped by 8 percent from January to February, while the prices of oranges and potatoes declined 4 percent. Price increases at the farm amounted to 7 percent for apples and 6 percent for lamb with smaller increases for other livestock, sweetpotatoes, and peanut butter. The seasonally adjusted index of truck crop prices declined 17 percent from January to February.

Farmer's share of retail meat dollar at 73 cents in February:

Costs to consumers for the quantities of beef, pork, and lamb included in the family food basket amounted to \$110 in February. Payments to farmers for equivalent quantities of livestock after adjusting for wholesale value of by-products totaled \$80. The marketing margin for the month was \$30, in addition to which agencies received about \$8 of Government processor payments, making a total of about \$38 to cover total marketing charges. These marketing charges were slightly higher than 1942 and about the same as the average for 1941. The farmer's share of the consumer's dollar spent for these meat products was 73 cents in February compared to a recent high of 76 cents in October 1943, 67 cents in 1942 and 59 cents in 1941.

Table 1.- Annual family purchases of 58 foods ^{1/}

Year and month	: Cost at retail :		: Paid to farmers :		: Marketing margin :		Farmer's share of retail value
	: Percent-:		: Percent-:		: Percent-:		
	: age of :		: age of :		: age of :		
	: Dollars :	: 1935-39 :	: Dollars :	: 1935-39 :	: Dollars :	: 1935-39 :	
	: average :		: average :		: average :		Percent
1913-15 average.:	236	71	135	96	121	63	53
1920.....:	514	155	272	193	242	127	53
1929.....:	415	125	195	138	220	115	47
1935-39 average.:	332	100	141	100	191	100	42
1941.....:	342	103	164	116	178	93	48
1942.....:	398	120	209	148	189	99	53
1943.....:	447	135	255	181	192	101	57
1943 - Jan.:	430	130	241	171	189	99	56
Feb.:	432	130	246	174	186	97	57
Mar.:	448	135	257	182	191	100	57
Apr.:	462	139	261	185	201	105	56
May.....:	475	143	261	185	214	112	55
June.....:	470	142	260	184	210	110	55
July.....:	451	136	255	181	196	103	57
Aug.:	440	133	255	181	185	97	58
Sept.....:	438	132	255	181	183	96	58
Oct.:	440	133	256	182	184	96	58
Nov.:	440	133	256	182	184	96	58
Dec.:	440	133	258	183	182	95	59
1944 - Jan.:	440	133	2/255	181	2/185	97	58

^{1/} Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family. Retail price average for 56 cities from Bureau of Labor Statistics. ^{2/} Preliminary.

Table 2.- Food cost and expenditures compared with total income per person, United States average ^{1/}

Year and month	: Food expenditures :				: Cost to consumer of fixed :			
	: Total :				: As percentage of quantities of foods repre- :			
	: expendi-:				: Total : sending average annual con- :			
	: tures :				: expendi-: sumption per person, 1935-39 :			
	: Total :	: for :	: Actual:	: Total :	: tures :	: As percentage of :		
	: income:	: consumer:	: income:	: for :	: :	: Total ex- :		
	: goods & :	: :	: goods :	: Actual:	: Total :	: penditures :		
	: services:	: :	: and :	: income:	: for goods & :	: services :		
	: :	: :	: services:	: :	: :	: services :		
	: Dolls. :	: Dolls. :	: Dolls. :	: Pct. :	: Pct. :	: Dolls. :	: Pct. :	: Pct. :
1935-39 average..	520	456	113	22	25	113	22	25
1941.....	692	560	140	20	25	120	17	21
1942.....	857	612	176	21	29	143	17	23
Annual rates by months, seasonally adjusted								
1943 - Jan.	973	660	196	20	30	155	16	23
July.....	1,048	709	217	21	31	164	16	23
Oct.	1,069	2/705	2/219	20	31	2/164	15	23
Nov.	2/1,086	701	210	19	30	2/164	15	23
Dec.	3/1,101	3/699	218	20	31	3/164	15	23

^{1/} See notes in original table p. 3, Apr.-May issue. ^{2/} Revised. ^{3/} Preliminary.

Table 3.- Price spreads between the farmer and the consumer - food products
February 1944

Retail commodity	Table No.	Retail		Farm equivalent		Actual margin		Farm value as percent of retail price
		Unit	Price	Quantity	Value	Cents	Cents	
			Cents			Cents	Cents	Percent
Pork products...	11	1 lb. prin. pork products	28.8	1.90 lb. live hog	24.5	4.3		85
Dairy products...	12	100 lb. milk equivalent	425.9	100 lb. milk equivalent	2/265.0	2/160.9		62
Hens.....	13	1 lb.	44.7	1.11 lb.	26.3	18.4		59
Eggs.....	14	1 doz.	50.3	1 doz.	31.9	18.4		63
White flour....	15	1 lb.	6.5	1.41 lb. wheat	3.4	3.1		52
White bread....	16	1 lb.	8.7	.97 lb. wheat	2.4	6.3		28
Corn meal.....	17	1 lb.	5.9	1.5 lb. corn	3.0	2.9		51
Rolled oats....	18	1 lb.	8.7	1.78 lb. oats	4.4	4.3		51
Corn flakes....	19	8-oz. pkg.	6.5	1.275 lb. corn	2.6	3.9		40
Wheat cereal....	20	28-oz. pkg.	23.3	2.065 lb. wheat	5.0	18.3		21
Rice.....	21	1 lb.	12.8	1.51 lb. rough rice	6.4	6.4		50
Navy beans.....	22	1 lb.	10.6	1 lb. dry beans	6.1	4.5		58
Oranges.....	24	1 doz.	37.6	1/17 box	11.5	26.1		31
Potatoes.....	25	1 lb.	4.3	1 lb.	2.3	2.0		53
Apples.....	35	1 lb.	11.2	1 lb.	6.1	5.1		54
Lamb products...	37	1 lb. prin. lamb cuts	35.6	2.16 lb. live lamb	28.5	7.1		80
Sweet potatoes...	38	1 lb.	10.8	1 lb.	3.8	7.0		35
Rye bread.....	39	1 lb.	9.5	.39 lb. rye & .64 lb. wheat	2.3	7.2		24
Whole wh. bread...	40	1 lb.	10.1	.92 lb. wheat	2.2	7.9		22
Macaroni.....	41	1 lb.	15.5	1.72 lb. durum wheat	4.1	11.4		26
Soda crackers...	42	1 lb.	18.8	1.085 lb. wheat	2.6	16.2		14
Peanut butter...	44	1 lb.	28.8	1.73 lb. peanuts	12.8	16.0		44
58 foods combined	8	Annual family consumption	\$436	Annual family consumption	2/\$254	2/\$182		58

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer".

2/ Preliminary.

Retail prices from the

Bureau of Labor Statistics.

Table 4

Price spreads between the farmer and the consumer - food products, retail price and farm value, February 1944

Commodity	Retail price				Percentage				Farm value				Percentage			
	1935-39:		Feb. : 1944		1935-39:		Feb. : 1944		1935-39:		Feb. : 1944		1935-39:		Feb. : 1944	
	average:	1943 :	1944 :	1944 :	average:	1943 :	1944 :	1944 :	average:	1943 :	1944 :	1944 :	average:	1943 :	1944 :	1944 :
	Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent
Fork products.....	1 lb. prin.	25.3	31.2	28.9	28.8	- 8	1/	1/	1.90 lb. live hogs	15.7	27.8	24.3	24.5	- 12	+ 1	
pork products:																
Dairy products.....	100 lb. milk	324.0	439.3	426.0	425.9	- 3	1/	1/	100 lb. milk equiv.	146.0	250.9	2/266.7	3/265.0	+ 6	- 1	
equiv.																
Hens.....	1 lb.	31.7	45.7	44.9	44.7	- 2	1/	1/	1.11 lb.	16.5	25.3	26.5	26.3	+ 4	- 1	
Eggs.....	1 doz.	36.0	50.9	54.3	50.3	- 1	- 7	- 7	1 doz.	21.7	34.2	34.6	31.9	- 7	- 8	
White flour.....	1 lb.	4.5	5.9	6.5	6.5	+ 10	0	0	1.41 lb. wheat	2.0	2.8	3.4	3.4	+ 21	0	
White bread.....	1 lb.	8.2	8.7	8.8	8.7	+ 11	0	0	0.97 lb. wheat	1.3	1.9	2.4	2.4	+ 25	0	
Corn meal.....	1 lb.	5.0	5.3	5.9	5.9	+ 11	0	0	1.5 lb. corn	1.8	2.4	3.0	3.0	+ 25	0	
Rolled oats.....	1 lb.	7.4	8.9	8.7	8.7	- 2	0	0	1.78 lb. oats	1.9	3.1	4.3	4.4	+ 42	+ 2	
Corn flakes.....	8-oz. pkg.	7.8	7.0	6.5	6.5	- 7	0	0	1.275 lb. corn	1.6	2.1	2.6	2.6	+ 24	0	
Wheat cereal.....	28-oz. pkg.	24.3	24.1	23.3	23.3	- 3	0	0	2.065 lb. wheat	2.9	4.1	5.0	5.0	+ 22	0	
Rice.....	1 lb.	8.2	12.8	12.8	12.8	0	0	0	1.51 lb. rough rice	2.5	5.9	6.3	6.4	+ 8	+ 2	
Navy beans.....	1 lb.	6.9	9.7	10.5	10.6	+ 9	+ 1	+ 1	1 lb. dry beans	3.5	5.4	6.1	6.1	+ 13	+ 0	
Oranges.....	1 doz.	31.5	37.2	40.5	37.6	+ 1	- 7	- 7	1/17 box	9.3	11.3	12.0	11.5	+ 2	- 4	
Potatoes.....	1 lb.	2.5	3.9	4.3	4.3	+ 10	0	0	1 lb.	1.2	2.1	2.4	2.3	+ 10	- 4	
Apples.....	1 lb.	5.5	7.9	10.8	11.2	+ 42	+ 4	+ 4	1 lb.	1.9	3.6	5.7	6.1	+ 69	+ 7	
Lamb products.....	1 lb. prin.	27.2	36.4	35.6	35.6	- 2	0	0	2.16 lb. live lamb	16.2	29.7	27.0	28.5	- 4	+ 6	
lamb cuts																
Sweet potatoes.....	1 lb.	4.4	7.1	19.6	10.8	+ 52	+ 2	+ 2	1 lb.	1.5	2.4	3.7	3.8	+ 58	+ 3	
Rye bread.....	1 lb.	9.1	9.3	9.5	9.5	+ 2	0	0	0.39 lb. rye & 0.64 lb. wheat	1.3	1.7	2.3	2.3	+ 35	0	
Whole wheat bread..	1 lb.	9.3	10.1	10.2	10.1	0	- 1	- 1	0.92 lb. wheat	1.3	1.8	2.2	2.2	+ 22	0	
Macaroni.....	1 lb.	15.0	14.2	15.5	15.5	+ 9	0	0	1.72 lb. durum wheat	2.3	3.3	4.1	4.1	+ 24	0	
Soda crackers.....	1 lb.	16.9	17.5	18.7	18.8	+ 7	+ 1	+ 1	1.085 lb. wheat	1.5	2.2	2.6	2.6	+ 18	0	
Peanut butter.....	1 lb.	19.3	31.5	28.9	28.8	- 9	1/	1/	1.73 lb. peanuts	6.1	11.2	12.4	12.8	+ 14	+ 3	
58 foods combined..	Annual family consumption	\$332	\$432	\$440	\$436	+ 1	- 1	- 1	Annual family consumption	\$141	\$246	2/\$256	3/\$254	+ 3	- 1	
Retail prices are 50-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.																
1/ Less than 0.5 percent. 2/ Revised. 3/ Preliminary																

Table 5.- Price spreads between the farmer and the consumer - food products, margins, and farm value as percentage of retail price, February 1944

centage of retail price, 1944

Commodity	Retail unit	Margin		Percentage : : change to : : Feb. 1944 from:		Farm value as percentage of retail price					
		1935-39: average: 1943 :	Jan. : 1944 :	Feb. : 1944 :	Feb. : 1943 :	Jan. : 1944 : average:	Feb. : 1943 : 1944 : 1944 :				
		Cents	Cents	Cents	Percent	Percent	Percent				
Pork products.....	1 lb. prin. pork	9.6	3.4	4.6	4.3	+26	- 7	62	89	84	85
Dairy products.....	products										
	100 lb. milk equiv.	178.0	188.4	159.3	2/160.9	-15	+ 1	45	57	1/63	62
Hens.....	1 lb.	15.2	20.4	18.4	18.4	-10	0	52	55	59	59
Eggs.....	1 doz.	14.3	16.7	19.7	18.4	+10	- 7	60	67	64	63
White flour.....	1 lb.	2.5	3.1	3.1	3.1	0	0	44	47	52	52
White bread.....	1 lb.	6.9	6.8	6.4	6.3	- 7	- 2	16	22	27	28
Corn meal.....	1 lb.	3.2	2.9	2.9	2.9	0	0	36	45	51	51
Roll'd oats.....	1 lb.	5.5	5.8	4.4	4.3	-26	- 2	26	35	49	40
Corn flakes.....	8-oz. pkg.	6.2	4.9	3.9	3.9	-20	0	21	30	40	21
Wheat cereal.....	28-oz. pkg.	21.4	20.0	18.3	18.3	- 8	0	12	17	21	50
Rice.....	1 lb.	5.7	6.9	6.5	6.4	- 7	- 2	30	46	49	58
Navy beans.....	1 lb.	3.4	4.3	4.4	4.5	+ 5	+ 2	51	56	58	31
Oranges.....	1 lb.	22.2	25.9	28.5	26.1	+ 1	- 8	30	30	30	53
Potatoes.....	1 lb.	1.3	1.8	1.9	2.0	+11	+ 5	48	54	56	54
Apples.....	1 lb.	3.6	4.3	5.1	5.1	+19	0	35	46	53	80
Lamb products.....	1 lb. prin. lamb cuts:	11.0	6.7	8.6	7.1	+ 6	-17	60	82	76	35
Sweet potatoes.....	1 lb.	2.9	4.7	6.9	7.0	+49	+ 1	34	34	35	24
Rye bread.....	1 lb.	7.8	7.6	7.2	7.2	- 5	0	14	18	24	22
Whole wheat bread.....	1 lb.	8.0	8.3	8.0	7.9	- 5	- 1	14	18	22	26
Macaroni.....	1 lb.	12.7	10.9	11.4	11.4	+ 5	0	15	23	26	14
Soda crackers.....	1 lb.	15.4	15.3	16.1	16.2	+ 6	+ 1	9	13	14	44
Peanut butter.....	1 lb.	13.2	20.3	16.5	16.0	-21	- 3	32	36	43	
58 foods combined	Annual family consumption	\$191	\$186	1/\$184	2/\$182	- 2	- 1	42	57	58	58

1/ Revised.

2/ Preliminary.

1/ Revised. 2/ Preliminary.

Table 6.- Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	Foods				Fibre			Whole-		
	Cost	Retail	Farm	Whole-	Retail	sale	Farm	sale	Farm	Prices
	of living	prices	prices	prices	prices	prices	prices	of all	of all	paid
	of city	of all	of sale	of 58	of cloth-	of textile	of cotton	of farm	of pro-	of ers
	fa-	foods	2/	foods	ing	pro-	and	pro-	ducts	3/
	milies	1/	3/	1/	ducts	wool	ducts	3/		
	1/				2/	4/	2/			
1913.....	71	80	81	95	69	81	111	94	95	81
1914.....	72	82	82	97	70	77	97	94	95	80
1916.....	78	91	96	110	78	99	131	111	111	100
1918.....	108	134	151	174	128	193	281	195	190	141
1920.....	143	169	174	193	201	232	282	198	199	162
1929.....	122	132	126	138	115	127	167	138	137	123
1932.....	98	86	77	62	91	77	55	63	61	86
1935.....	98	100	106	98	97	100	109	104	102	100
1936.....	99	101	104	108	98	101	114	106	107	100
1937.....	103	105	108	113	103	107	111	114	114	105
1938.....	101	98	93	92	102	94	81	90	89	98
1939.....	99	95	89	89	100	98	85	86	88	97
1940.....	100	97	90	94	102	104	97	89	92	99
1941.....	105	105	105	116	106	119	131	108	115	105
1942.....	116	124	126	148	124	136	178	139	148	122
1943.....	124	138	135	181	130	137	190	162	177	132
1939 - Aug...	---	94	85	85	---	96	85	80	83	96
Sept...	101	98	95	95	100	101	91	90	92	98
1943 - Feb...	121	134	134	174	126	137	188	157	171	129
Mar...	123	137	136	182	128	137	191	162	173	129
Apr...	124	141	137	185	128	137	192	163	175	130
May...	125	143	140	185	128	137	192	165	176	131
June...	125	142	139	184	128	137	192	166	179	132
July...	124	139	136	181	129	137	189	165	174	133
Aug...	123	137	134	181	129	137	190	163	179	133
Sept...	124	137	133	181	132	137	193	162	179	133
Oct...	124	138	133	182	133	137	193	161	180	133
Nov...	124	137	134	182	134	138	186	160	181	134
Dec...	124	137	134	183	135	138	190	160	185	135
1944 - Jan...	124	136	133	5/182	134	138	192	160	186	136
Feb...	124	134	132	180	135	138	190	161	185	137

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

Table 7.- Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year and month:	: Monthly : : Nonagri-: earnings : : cultural: per em- : : income : ployed : : payments: factory : : 1/ : worker 2/:		: Hourly earnings in marketing : : enterprises : : Class I : : steam : : railways : : 3/ :				: Cotton : : pro- : : cessing : : 4/ :	
			: Food : : processing: : : 4/ :				: Food : : marketing : : 5/ :	
1929.....	122	118	93	---	---	---	---	---
1935-39 average:	100	100	100	100	100	100	100	100
1940.....	115	111	105	110	105	106	106	106
1941.....	137	132	106	116	110	119	119	119
1942.....	169	166	119	128	120	139	139	139
1942 - Dec.	188	183	120	133	122	149	149	149
1943 - Jan.	192	184	120	134	126	150	150	150
Feb.	195	187	123	135	127	150	150	150
Mar.	197	190	119	136	127	151	151	151
Apr.	200	193	120	136	128	151	151	151
May.....	202	196	120	139	129	152	152	152
June.....	205	196	119	140	130	152	152	152
July.....	208	194	119	140	130	152	152	152
Aug.	209	197	120	140	131	151	151	151
Sept.	211	201	121	140	132	154	154	154
Oct.	213	204	121	142	133	153	153	153
Nov.	6/216	6/205	123	145	134	153	153	153
Dec.	7/219	7/202	---	---	---	---	---	---

- 1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series.
- 2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation.
- 3/ Compiled from data published by the Interstate Commerce Commission.
- 4/ Bureau of Labor Statistics.
- 5/ Weighted composite of earnings in steam railways, food processing, wholesaling and retailing.
- 6/ Revised.
- 7/ Preliminary estimates.